District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

#### State of New Mexico Energy Minerals and Natural Resources

Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505 Form C-129 Revised August 1, 2011

Submit one copy to appropriate District Office

NFO Permit No.

(For Division Use Only)

## APPLICATION FOR EXCEPTION TO NO-FLARE RULE 19.15.18.12

(See Rule 19.15.18.12 NMAC and Rule 19.15.7.37 NMAC)

| A.   | Applicant Apache Corporation ,   |   |
|--|--|---|
|  | whose address is 1945 Bluestem Road, Artesia, NM 88210                                     |   |
|  |  | 8.12 fordays or until                     |
|  | , Yr, for the following described tank battery (or LACT):                                  |   |
|  | Name of Lease D State 74 Battery   |   |
|  | Location of Battery: Unit LetterK  | Section 35 Township 17S Range 28E         |
|  | Number of wells producing into battery   |   |
| В.   | Based upon oil production of   | barrels per day, the estimated * volume   |
|  | of gas to be flared is1.2M   | MCF; Valueper day.                        |
| C.   | Name and location of nearest gas gathering facility:  DCP Artesia                          |   |
| D.   | DistanceEstimated cost of connection   |   |
| E.   | E. This exception is requested for the following reasons: Frontier Gas has shut Apache out |   |
|  | of their gas line as a secondary selling point. Our primary buyer is DCP. We               |   |
| need a way of relief if DCP slam valve shuts, which would be to flare. This is   |  | e shuts, which would be to flare. This is |
|  | for an extension to the previous one that will expire August 30, 2013.                     |   |
|  |  |   |
| DPERATOR hereby certify that the rules and regulations of the Oil Conservation   |  |   |
| Division have been complied with and that the information given above strue and complete to the best of my knowledge and belief.  Approved Until |  |   |
| Signature By Allado  |  |   |
| Printed Name<br>& Title  | Fatima Vasquez - Regulatory Tech II  | Title Drs- P Sypewison                    |
| E-mail Addre   | Fatima.Vasquez@apachecorp.com  | Date Aug 19, 2013                         |
| Date 08/09/  | 2013 Telephone No. (432) 818-1015  |   |

<sup>\*</sup> Gas-Oil ratio test may be required to verify estimated gas volume.

Submit I Copy To Appropriate District State of New Mexico Form C-103 Office Revised August 1, 2011 Energy, Minerals and Natural Resources District I - (575) 393-6161 WELL API NO. 1625 N. French Dr., Hobbs, NM 88240 District II - (575) 748-1283 OIL CONSERVATION DIVISION 811 S. First St., Artesia, NM 88210 5. Indicate Type of Lease District III - (505) 334-6178 1220 South St. Francis Dr. STATE FEE 1000 Rio Brazos Rd., Aztec, NM 87410 Santa Fe. NM 87505 6. State Oil & Gas Lease No. District IV - (505) 476-3460 1220 S. St. Francis Dr., Santa Fe, NM 87505 SUNDRY NOTICES AND REPORTS ON WELLS 7. Lease Name or Unit Agreement Name (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A D State 74 Battery DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH 8. Well Number 1. Type of Well: Oil Well Gas Well Other 2. Name of Operator 9. OGRID Number Apache Corporation 873 10. Pool name or Wildcat 3. Address of Operator 303 Veterans Airpark Lane, Suite 3000 Midland, TX 79705 Yeso 4. Well Location Unit Letter K feet from the line and feet from the line Section 35 Township 17S Range 28E NMPM County Eddy 11. Elevation (Show whether DR, RKB, RT, GR, etc.) 12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data NOTICE OF INTENTION TO: SUBSEQUENT REPORT OF: ALTERING CASING [ PERFORM REMEDIAL WORK □ PLUG AND ABANDON П REMEDIAL WORK **TEMPORARILY ABANDON**  $\Box$ **CHANGE PLANS** COMMENCE DRILLING OPNS. P AND A PULL OR ALTER CASING MULTIPLE COMPL П CASING/CEMENT JOB DOWNHOLE COMMINGLE OTHER: Flare Gas OTHER: 13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion. Apache is requesting permission to temporarily flare the D State 74 Battery. The API# for each well are as follows: 30-015-31426 30-015-40232 30-015-30977 30-015-40233 30-015-31389 30-015-40234 30-015-38468 30-015-40235 30-015-39267 30-015-40236 30-015-39924 30-015-40237 30-015-40145 30-015-40238 30-015-40441 30-015-40239 30-015-40231 30-015-40136 Spud Date: Rig Release Date: I hereby certify that the information above is true and complete to the best of my knowledge and belief. **SIGNATURE** TITLE Regulatory Tech II DATE 08/09/2013 Type or print name Fatima Vasquez PHONE: (432) 818-1015 E-mail address: Fatima.Vasquez@apachecorp.com For State Use Only TITLE DIST DEPLEW ISN APPROVED BY: //

Conditions of Approval (if any):

A SEE AHACUS COA'S

# NEW MEXICO OIL CONSERVATION DIVISION DISTRICT 2 OFFICE 811 SOUTH FIRST STREET ARTESIA, NM 88210 (575)748-1283

#### CONDITIONS OF APPROVAL for FLARING or VENTING GAS

- 1. Venting gas is absolutely not allowed.
- 2. Prior to flaring gas, C-129 must be filed & approved. Blanket approval cannot be given for this operation.
- 3. Flared volumes of gas are to be metered & reported.
- 4. Flares WILL be manned at all times. Brush should be cut down to 1 or 2 inches around flare stack at least a radial distance of 2 times the height of the flare stack.
- 5. Flares WILL NOT be left unattended.
- 6. No flaring operations to be conducted during red-flag days. <a href="http://www.gacc.nifc.gov/swcc">http://www.gacc.nifc.gov/swcc</a> (go to "Predictive Services" on SWCC website) to check for red flag warnings.
- 7. Follow safe practices for flaring guidelines.
- **8.** Permit may be rescinded at any time by NMOCD.
- **9.** If well is able to be connected to a gas gathering system, it will be done so as soon as possible.
- 10. Flaring of gas is prohibited. The State Forester grants an exception to the prohibition on open fires for the flaring of natural gas when the following conditions are met. Unless flaring is needed for safety purposes, flaring pursuant to this exception shall not be done on days that are "red flag days" as determined by the National Weather Service or on days when the sustained wind is in excess of 25 miles per hour in the area.
- 11.1. The day is not a "red flag day" as determined by the National Weather Service and the sustained wind is not in excess of 25 miles per hour in the area.

- 12.2. The local fire department and county dispatch are notified at least 24 hours in advance of anticipated releases that will result in flaring. If flaring is done by an automated system then the schedule of flaring shall be provided to the local fire department and county dispatch. The area is mowed and maintained at a length not to exceed 4 inches and all other flammable products or debris shall be cleared in the area for a distance of one and one half times the height of the stack.
- 13.3. At least one adult is on site with communications equipment adequate to reach county dispatch and the local fire department in the event of a fire. The individual should also be equipped with a shovel and a water backpack pump or other equipment to deliver water to suppress a fire.
- 14.4. If flaring is to take place at an unmanned facility, then the area around the flare stack is mowed and maintained at a length not to exceed 4 inches and all other flammable products or debris shall be cleared in the area for a distance of three times the height of the stack.

Your initials here stands

# State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez

Governor

John Bemis
Cabinet Secretary

Brett F. Woods, Ph.D. Deputy Cabinet Secretary Jami Bailey
Division Director
Oil Conservation Division



March 19, 2013

FOR IMMEDIATE RELEASE

Contact: Jim Winchester (505)231-8800 E-Mail: jim.winchester@state.nm.us

### Notice to Oil and Gas Facilities and Operators Flaring Gas in New Mexico

SANTA FE, NM – The Oil Conservation Division (OCD) encourages all oil and gas facilities with flare stacks and well operators that are flaring gas to upgrade their *Fire Awareness Programs* this year. New Mexico State Forestry reports that 460 fires have burned 25,475 acres on state and private land in calendar year 2012.

Forecasts remain dismal this spring with fewer chances for normal precipitation, particularly in southwestern New Mexico and southeastern Arizona. Temperatures could also be higher than normal.

Open flames and gas flares should be monitored carefully and oil and gas operators should create a defensible space to help prevent wildfires. Defensible Space is the area around a structure where combustible vegetation that can spread fire has been cleared, reduced or replaced. This space acts as a barrier between a structure and an advancing wildfire.

During the course of the upcoming fire season, it may become necessary for New Mexico State Forestry to issue fire restriction on State and private land. Log on to <a href="https://www.nmforestry.com">www.nmforestry.com</a> for updates or call your local district office.

New Mexico State Forestry offers the following guidelines for establishing effective defensible space:

- Create a "Lean, Clean and Green" firebreak area by removing flammable vegetation and growth within 30 feet of each structure. Single trees and shrubs may be retained if they are well spaced, pruned and placed so they avoid the spread of fire. Maintain an irrigation system for any vegetation near structures.
- Keep grass and weeds mowed.
- Prune lower tree limbs to at least 6 feet up to 15 feet (or lower 1/3 of branches on smaller trees).
- Remove vegetation and debris around propane tanks.

For the latest fire weather information please visit USDA Forest Service website: <a href="http://activefiremaps.fs.fed.us/current.php">http://activefiremaps.fs.fed.us/current.php</a>

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The Energy, Minerals and Natural Resources Department provides resource protection and renewable energy resource development services to the public and other state agencies.